

—*Information Needs.* Federal agencies have specific statutory and programmatic responsibilities, and require information in order to fulfill those responsibilities. Paperwork can only be reduced in ways that will not negatively impact the effectiveness of the laws and regulations to which the Agency is accountable.

—*Expanded Responsibilities.* The need for information increases as new federal programs are created, existing programs are expanded and additional health, safety or environmental protection laws are enacted.

#### Issues

The Task Force was asked to specifically consider the feasibility of: (1) Synchronized reporting times and frequencies, (2) consolidated reporting requirements within and across agencies, and (3) small business compliance assistance, and submission of information, through a single point of contact within an agency. Subcommittee 1 conducted a brief review, which uncovered a number of federal government initiatives to reduce or streamline reporting requirements for businesses. Several of these initiatives are described in Appendix 5. Our review indicates that while each of these options outlined in the law may be desirable and feasible under the appropriate circumstances, there are several barriers that need to be addressed.

#### *Synchronized Reporting*

Synchronized reporting seems to have the least potential for burden reduction. Not all information that businesses are required to report is submitted to the Federal government on a regular basis. Some reporting occurs only at the time of an event, such as admission of a patient to a nursing home, or a chemical spill. Timely submission of this information is critical to fulfill agency responsibilities.

Even for information that is submitted to the government on a regular basis—monthly, quarterly or annually—a synchronized reporting time may not be desirable. In the public meeting held by SBA on March 4, 2003, small businesses expressed concern about synchronized reporting times. A requirement to provide all information required by the federal government on a single date has the potential of creating a greater workload burden for business than when the reporting is spaced throughout the year. Clearly, some small businesses prefer spreading reporting throughout the year.

Further, for many reporting requirements, the reporting frequency is

mandated in statute or regulation. Synchronizing reporting frequency would require legislative or regulatory action. To the extent that similar information is required within or across Agencies, such action should be taken, provided changing the reporting frequency would not negatively impact the effectiveness of the underlying law or regulation.

#### *Consolidated Information Collections*

The Task Force believes that there is opportunity for improved consolidation of similar information collections and reporting requirements across the Federal Government. We have outlined several recommendations for accomplishing this task. However, we recognize that, given the diversity of federal government activities, no one method or template for reporting would fit all information collections. Seemingly duplicative information collections may not be appropriate for consolidation due to the nature or utility of the data collected. For example, definitions across similar data collections may not be harmonized due to differences across industries or underlying statutes. Consolidation of such reporting requirements may lead to confusion, rather than simplification. There are also barriers to consolidation in many cases, stemming from confidentiality of data and privacy rights. For example, statistical agencies collecting data under a confidentiality pledge cannot share information with enforcement agencies such as OSHA and the IRS.

#### *Single Small-Business Point of Contact*

Establishing a single point of contact for small businesses appears to be both feasible and desirable. The Small Business Paperwork Relief Act requires all Federal Agencies to establish a single point of contact for small businesses. Small business participants in the SBA public meeting were very supportive of this measure. The Point of Contact should be able to provide information about regulatory reporting requirements enforced by the Agency, and technical assistance in fulfilling those requirements.

It should be noted that the strategies discussed above are not mutually exclusive. For example, if several forms are consolidated into a single format, then synchronized reporting for information submissions having the same frequency with respect to timing would logically follow. Greatest efficiencies from consolidated reporting are to be found where the same information is being collected more than once. Agencies should focus resources

to identify and merge these collections when feasible. Small businesses should also participate in this process, by utilizing existing and planned communication mechanisms to inform Agencies and OMB of duplicative collections.

#### Recommendations

The subcommittee has developed several recommendations to achieve the SBPRA goals. The recommendations discussed below are consistent with the Operating Principles outlined above. They have been limited to options considered technically feasible, supportable within existing government management structures, and doable given existing Agency resources. We also considered the previous legislative efforts to address paperwork burden, discussed above, when developing the recommendations. While the recommendations listed below do not duplicate these prior efforts, neither do they alleviate the need to continue them. We've determined that more can and should be done within the existing framework created by these Acts to reduce paperwork burden on small businesses. For example, the Paperwork Reduction Act requires agencies to ensure that data collections minimize burden and maximize practical utility. Greater emphasis should be placed on these criteria for collections from small businesses. The following are some examples of opportunities for improvement.

#### Practical Utility

- Agencies should periodically review laws and regulations to assure the continued usefulness of reporting and recordkeeping requirements.
- Eliminate those requirements found to no longer have practical utility. For example, OSHA does not require certain small businesses in service producing industries with a low frequency of injury and illness to keep worker injury and illness logs.

#### Minimize Burden

- Review reporting forms and instructions for simplicity and ease of understanding.
- Conduct periodic reviews of existing collections to explore less burdensome ways to obtain data.
- Harmonize definitions across similar data elements and use existing classification systems when feasible.

Based on our analysis of the problem and issues discussed above, we present the following recommendations to reduce paperwork burden on small businesses through simplification and consolidation of reporting requirements.